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Approved For Release 2002/02/12 : CIA-RDP79R00890A000800030027-7

NSC BRIEFING

22 January 1957

INDONESIA

- I. No solution to Sumatran dissidence in sight.
 - A. North and center standing firm.
 - B. Latest development is formal 20 Jan. declaration of provincial autonomy by South Sumatra.
- II. On political front, Sukarno (17 Jan) proposed "Advisory Council" to be under his personal leadership.
 - A. If set up, 14-man Council would issue "regulations".
 - B. Cabinet would serve as executive: parliament could only legislate "reconstruction" projects.
- III. Political parties have reacted coldly to "Council" proposal.
 - A. NU, smaller coalition parties, have reversed stand on pull-out, feel preservation of Ali Gov't is required in order to resist Sukarno's plan.
- IV. On 21 Jan, Ali addressed Parliament, asked for "calm view". If NU stays in, Ali should win vote of confidence (7-8 Feb).
- V. Support from Army is essential to success Sukarno's "Council" plan.
 - A. Chief of Staff Nasution now conferring widely in effort assess Army loyalty to self and Sukarno.

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NSC BRIEFING

22 January 1957

INDONESIA

- I. Sukarno announced plans for an "advisory council" in 17 January press conference.
 - A. Advisory council would be 14-member organ under Sukarno's personal leadership.
 - B. Would initiate policy and pass implementing regulations; cabinet and parliament would continue to function, but former would be only executive body and latter's legislative powers would be limited to "reconstruction projects."
 - C. Would include representatives of Communist Party as well as of other political and mass organizations and the military establishment.
 - D. Political parties would be definitely curtailed if Sukarno can carry out plan.
- II. Party reaction to council has been negative.
 - A. Nahdlatul Ulama, cabinet's second largest party, had planned to resign from government but reportedly has now reversed position, believing preservation of Ali cabinet may help in resisting Sukarno's plans.
 - B. Small parties in coalition also cancelled withdrawal plans for same reason.
- III. Ali went before parliament 21 January asking for calm view of situation.
 - A. Parliament may take vote of confidence on 7 or 8 February.

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- B. If cabinet composition remains as at present, Ali would win vote.
- IV. Army support is essential to success of Sukarno's plan.
- A. Army Chief of Staff General Nasution been holding conferences with Sumatran commanders willing to see him and with commanders from other outlying areas to assess army loyalty to him and to Sukarno.
- V. No solution to military and political problems in three Sumatran provinces appears in sight.
- A. Prestige of Colonel Simbolon, rebel leader and former army commander in North Sumatra, appears to have improved after decline when he fled to interior.
1. Regimental commanders in North and Central Sumatra, while giving lip service to Nasution and Sukarno, continue to behave independently.
- B. South Sumatra reportedly declared provincial autonomy on 20 January and set up a governing council composed of "army officers, war veterans, and business leaders," thus formalizing previous de facto break.

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